

**CHAPTER NO. 712**

**HOUSE BILL NO. 2953**

**By Representatives McKee, Black, McMillan, Head, Fitzhugh, Maddox, Litz, Yokley, Coleman, Vaughn, Pleasant, Baird, Brenda Turner, Crider, Roach, Davis, Cochran, Lynn, Sargent, Montgomery, Buttry, Casada, Hawk, Hargett, Hagood**

**Substituted for: Senate Bill No. 2894**

**By Senators Miller, Graves, Fowler, Haynes, Williams, McLeary**

AN ACT to amend Tennessee Code Annotated, Section 49-7-822, relative to the exemption of educational savings plans, educational service plans, and college savings bonds from state and local taxation.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 49-7-822, is amended by deleting the language therein in its entirety and substituting instead the following:

Notwithstanding any law to the contrary, all assets, income and distributions of college education savings plans authorized by federal law, this part, part 9 of this chapter, or by the laws of another state are exempt from any state, county, or municipal tax and shall not be subject to execution, attachment, garnishment, the operation of bankruptcy, the insolvency laws or other process whatsoever, nor shall any assignment thereof be enforceable in any court. This exemption shall include, but is not limited to, plans defined in § 529 of the Internal Revenue Code, accounts properly designated as education savings accounts, education IRAs, or future tuition payment plans, however described, and shall include any properly authorized payments made to or by such funds.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it, and shall apply to all such plans, funds, contracts or accounts in existence on the effective date of this act or that are established after such effective date.

**PASSED: May 6, 2004**

  
JIMMY RAIFEH, SPEAKER  
HOUSE OF REPRESENTATIVES

  
JOHN S. WILDER  
SPEAKER OF THE SENATE

**APPROVED this 18<sup>th</sup> day of May 2004**

  
PHIL BREDESEN, GOVERNOR